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Pace & Pace

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# The PACE STUDENT

Vol. IV

New York, January, 1919

No. 2



INSTRUCTORS, being human, sometimes like to give vent to their opinions respecting classes. An instance is found in an article submitted for publication in *The Pace Student*. Although every one may not agree with the view-point of this instructor, the article is published to illustrate how many instructors feel toward certain types of students. The article, which applies to teaching generally, follows:

Have you ever considered that every class contains pretty much the same types of students? Classes differ—no two are alike. The differences, you will find, are largely in the number of students of each of these types. The types themselves are common to all classes; familiar alike to students and to teachers.

Of these types, six stand out prominently. These are the note-writer, the perpetual questioner, the better-way man, the admirer, the trailer, the class fool. Immediately you recognize each of them. You know, as a student, how you feel toward each, and perhaps you have wondered just what the teachers think of them. At the risk of exposing some of the innermost secrets of the teaching profession, I will tell you.

First of all, there is the student who seemingly gets all of his knowledge by way of the note-book. If you examined into his mind, you would probably find that he regards himself as a most conscientious student. To the new teacher, he is a constant source of discomfort. Every teacher makes mistakes. Why have them set down, in black and white, upon a record?

The note-writer never troubles the older teacher. He has learned by experience how

harmless such a student truly is. If the notes he has made of my lectures were ever read—which is an open question—the fact has never been proved by any “comeback” on the errors which I have made, and which he presumably has recorded. The note-writer gives the teacher a clue as to how a singer must feel when his voice is recorded on a phonograph. The teacher experiences all the thrills of talking to a writing mechanism. Sooner or later, in self-defense, he applies the remedy. Quickly he will state some

complicated principle. Then, while the note-writer is getting it down, he will suddenly shoot a question at him on the self-same principle. Ten chances to one the note-writer fails, and, in his humiliation, will forget to continue his notes. The dose should be repeated twice each session until the patient recovers. Ordinarily, a cure is effected in three sessions.

No real teacher objects to worth-while questions. Questions of this kind do not arise with each instant of time. Perhaps you have heard of the European professor who was listening to a rehearsal of a commencement address. The student-orator would let loose a verbal pyrotechnic and then pause. Pause after pause marked his delivery. Finally, in desperation, the professor cried, “My young man, it is a principle of oratory that when you want a great and a deep thought to sink in you should pause. But, my friend, great and deep thoughts come only a few times in a lifetime, not every five minutes.” So it is with worth-while questions. They may come oftener than a few times in a lifetime, but certainly not every few minutes. The perpetual questioner type is not to be confused with the student who asks intelligent questions. These are welcome to the teacher.

*Class  
Charac-  
ters*

## LEADING ARTICLES

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As the teacher gains in experience, the more he realizes how these questions help him in explaining difficult points. Moreover, questions are the means whereby the teacher learns more of his subject than would be possible from mere study.

Then there is the better-way man. In accounting, he is constantly suggesting improvements of procedure or records. In law, he tells the teacher just how he would decide the case, regardless of the rulings of the Supreme Court. Nothing is more amusing than to have two of these better-way men lock horns. This happened recently on the subject of Closing Entries. One had it that the entries should not be itemized in the Trading and Profit and Loss Account, because the statements could "better" be made from the Journal entries. The other concluded that the Journal entries were unnecessary, and that the balances could be transferred between the accounts. These students afforded the instructor a most excellent opportunity to expose erroneous views prevailing on the subject of Closing the Books. There are more ways of doing a thing wrong than there are of doing it right. It is impossible for an instructor to conjecture every way of making an error, but the better-way man always helps him out, and gives him an opportunity to expose erroneous procedures.

Nothing pleases the vanity of the instructor so much as the worship of the admiring student. He it is who laughs heartiest at the dilemmas of the better-way man, and applauds loudest when the instructor scores his point. So few people in this world seem to appreciate the virtues, whether they be few or many, of the instructor, that he basks in the sunshine of the admiring student. Ask any instructor as to how these students make out in their later life, and you invariably find them near the top. It is they who appreciate the value of the instruction, and who, appreciating this value, finally utilize it in useful service.

What a comfort the trailer must be to the members of a class. A student has been asked a question. He has failed. He is still brooding in a discouraged frame of mind over his failure. Along comes the trailer. He asks a question on a subject that has been discussed about fifteen minutes before. Everybody laughs, and all who have failed in answering the questions are consoled by the thought that there may be still some individuals in this world who are not quite as bright as they. The trailer is the greatest instrumentality for restoring the self-respect of the failing student.

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Now every class must have its class fool. Human nature must always find somebody to pick upon. Likewise, somebody always gives

to human beings the opportunities to do the picking. Your class fool may ask a foolish question, make a foolish answer, or do or say anything that is within the realm of foolishness. It is impossible to be specific as to just what he does or might do. He is a great help in relieving the monotony of a tedious session, say one on Arithmetical Expedients or Decedents' Estates.

Why is it that the class fool is usually one of the most successful of your students in later life? You may attribute his success to luck, to fate, to opportunity. The chances are that it is because he has received the bumps of experience in the classroom rather than in practice. He it is who dares to venture where other students fear to tread. They are all holding back, and out he comes with an answer which is ridiculous. If the others gave answers, their answers, probably, would be equally ridiculous. But the "class fool" believes in making his mistakes in the classroom, and in having his errors corrected in the classroom. He is not usually vain about his abilities, and readily meets the embarrassments which must come in actual life. Perhaps this, in a measure, explains why it is that the man who has been the butt of ridicule in the classroom often rises to a commanding position in his profession or business.

After all, the class is human. Its faults are usually exaggerations of its virtues. The note-writer, the questioner, the better-way man, and all of the other types, mean well. They simply carry their conscientiousness to extremes. In spite of the irritations they sometimes cause the teacher, despite the tests they make upon his patience and his temper—in time, he learns to like them all. Soon, every conscientious student, regardless of his type, becomes the friend of the teacher who knows how to teach.

*The best and biggest men of all times have been self-made men—most of them started out with what the world would call a poor chance.*

*Their chances were no worse and no better than those which surround every individual to-day.*

*Self-made means self-help—and self-help means, first of all, the true spirit of service and helpfulness to others.*

*The world is a great storehouse from which we can take out no more than we put in. We get in returns in proportion to what we give in service.*

*It is the universal law of life.—Quoted in The Dynamo.*

# Biographical Snap Shots

## Men Who Have Made Good



**L**HAT the study of Accountancy is of great value to all who follow the engineering profession is coming to be admitted by engineers themselves. Royal W. Davenport is a Pace graduate who illustrates the above generalization. Mr. Davenport is now an assistant engineer for the United States Geological Survey, at Washington, D. C.

Mr. Davenport was born thirty-three years ago, in Colrain, Mass., and received his early education in the public schools of his native town. He then attended Arms Academy, at Shelburne Falls, Mass., graduating in 1903. He entered Worcester Polytechnic Institute, in 1904, and graduated, in 1908, with the degree of Bachelor of Science; and he wound up his technical training with the Pace Course in Accountancy and Business Administration, receiving his final diploma in 1915.

Before taking the Pace Course, Mr. Davenport had secured a profitable experience in educational work and in engineering. For two years he was an instructor in civil engineering at Worcester Polytechnic Institute. Then, in 1910, he entered the employ of the United States Geological Survey, with which he is still connected. The first four years of his employment by the Survey he spent on water-power and irrigation investigations in the Western states and Alaska. His engineering experience had chiefly to do with the varied and ramifying phases of public policy in the utilization of the water resources of the country.

From 1915 till the present time, Mr. Davenport has been stationed at Washington, D. C., where he has been engaged chiefly on office investigations and reports. He has found his training in Accountancy to stand him in particularly good stead at this time.

Mr. Davenport is a member of the Sigma Xi Society, of the Tau Beta Pi Association, of the American Society of Civil Engineers, and of the Washington Society of Engineers.

Mr. Davenport's experience as to the practical value of training in Accountancy to engineers is borne out by that of many other engineers who have found that Pace training gives them an additional mental commodity for which there is a steady market value.



**F**TEN a young man feels that because he has been denied the advantages of a high-school training, he is disqualified to pursue the Pace Course in Accountancy with success. This is not necessarily a true assumption, as is proved by the business career of Charles D. Bigelow, a graduate of Pace Institute, Boston.

Mr. Bigelow was born in Boston thirty-four years ago. After graduating from the Bennett Grammar School, he spent three years as an office boy for various firms. Then, in 1901, he entered the employ of the John Hancock Mutual Life Insurance Company as office boy and clerk. He remained with this company for sixteen years, fourteen years in the Claims Division and two years in the Auditing Department.

In the meantime, Mr. Bigelow traveled extensively in Europe and Canada for his employers.

This experience was in itself a liberal education in many ways.

Feeling the need of technical training in Accountancy, Mr. Bigelow completed the Pace Course, in Boston, making a most creditable record as a student.

Shortly after his graduation from Pace Institute, he resigned from the John Hancock Insurance Company, where he had been employed so long, and entered the employ of the United States Food Administration as an accountant, being stationed at Minneapolis, Minn. As to his success in this capacity, the following excerpt from one of Mr. Bigelow's letters to Pace & Pace is self-explanatory:

"You may be interested to learn that since the Milling Division of the Food Administration was abolished, I have become connected with the firm of George A. Hormel & Co., at Austin, Minn., as branch auditor. This firm is an independent packing house, doing an annual business of twenty-five million dollars.

"It is needless to say that it was my work at Pace Institute that qualified me to take this position. It may also interest you to know that I have had many offers of positions since coming here, and that a fortnight ago I turned down an offer at more than double the salary I was receiving when I attended Pace Institute. From this you may judge whether I am satisfied with the results of the hard work and long hours I spent in study at your school."



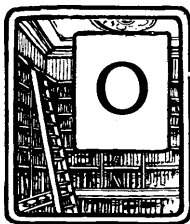
**T**HE business value of technical training and experience, especially of an accounting nature, is attested by the careers of practically all Pace graduates, allowances always being made, of course, for differences in temperament, personality, and opportunity.

Take the case of Arthur Doucette, for example. He was born thirty-nine years ago, in Rochester, N. Y., and received his early education in the public schools of that city. Later, he attended Mechanics Institute, at Rochester, for two years. Then he took an extension course with the University of Chicago, studying, together with many other subjects, political economy and accounting. He also spent one year as a day student at Rochester Business Institute, graduating in 1900.

In 1896, when he was seventeen years old, he entered Bradstreet's Rochester office as a clerk, remaining there five years. He then spent five years as a correspondent for a nursery concern in Rochester. His next position was that of office manager for a large plumbing organization in Rochester.

Mr. Doucette then moved to Detroit, where he was appointed auditor of the largest wholesale dry-goods company in that city. At this time, realizing the importance of further study, and being studious by nature, he took up and completed the Pace Standardized Course in Accountancy and Business Administration, at Detroit Technical Institute, graduating in 1911.

Mr. Doucette then formed a partnership with a friend of his, Mr. Reich, and practised public accounting in Detroit for a year, under the firm name of Doucette & Reich.



NE of the extremely difficult things for the layman to understand is the hos-

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tile attitude of the courts toward arbitration provisions in contracts. For a long time, writers have been advocating international arbitration, and not a few have been advocating arbitration as between employers and employees. A merit surrounds the principle of arbitration in the public mind, hardly in accord with the attitude exhibited by courts toward the principle.

In order to understand the attitude of the courts, it is well to have in mind the extent to which they hold arbitration agreements to be valid. In the absence of statutes to the contrary, it may be said that the courts do not regard with disfavor arbitration agreements which cover only the remedy in case of admitted breach of the agreement. If the rights of the parties are conceded by both sides, then the determining of the damage, so long as it does not partake of being a penalty, may be controlled by the arbitration clause. Should, however, the arbitration clause call for the determining of the rights of the respective parties, then the courts are inclined to hold the clause invalid, as interfering with the jurisdiction of the courts in these matters.

These rulings are based upon one of the broadest and most vital principles of the law. This principle is that an individual's fundamental rights should be determined by the tribunals established for the purpose. No individual can, by contract, agree to submit to a life of slavery. Such an agreement would be invalid, for the reason that it interferes with the fundamental right of freedom to be exercised by each individual.

Another instance is that an individual can not lawfully agree not to invoke the aid of the courts should his rights be infringed. For example, a certain organization had a contract with its employees, in which the employee agreed to be insured by the company, or by an organization under the surveillance of the company. In this agreement, the employee agreed that if he was injured while in the employ of the company, he would, under no circumstances, bring suit against the company. One of the employees who signed the agreement was injured and brought suit. The court held that the clause was not effective, because it interfered with the fundamental right of the employee to have recourse to the courts.

This same principle applies to the arbitration

agreement. So far as remedies are concerned, the agreement holds, because as to these there is no encroachment upon a fundamental

right. So far as the determining of the rights and obligations of the parties under the contract is concerned, this is a matter which depends upon the law. Accordingly, a clause of the contract can not deny the fundamental right of recourse to courts as the tribunals which determine human rights and obligations.

It is true, of course, that a person may execute a lawful waiver. Assuming he has a claim against another, he may waive the exercise of his rights respecting such claim.

One defect of arbitration is that the question is usually settled by one umpire. An arbitrator, we will say, is appointed by each side, the two arbitrators selecting a third. Ordinarily, each of the arbitrators selected by each side resolves all doubtful points in favor of the side which selected him. The decision then rests with the third man. From a practical standpoint, arbitration is not always a satisfactory means of settling disputes.

The main reason, however, for the attitude of courts toward arbitration agreements lies in the jealousy with which they guard human rights. Upon first thought, this attitude may seem to partake of injustice in individual instances. The important fundamental principles underlying decisions in arbitration cases, however, are a striking example of how legal study broadens the view-point of the student.

**N**OT infrequently the business man is concerned with protecting his good-will as to employees who may leave his service. These employees may be the managers of branches. They may be in contact with the customers of the business man, at times, more intimately than it is possible for him to be.

*Protecting  
Good-will*

This same risk as to good-will may confront the professional man. An instance is the management of branch offices of certified public accountants. There may be ground for the belief that if the branch manager leaves, a considerable part of the clientele of the particular office will be lost.

There are some cases in the law which protect the good-will of either a business man or a professional man from such a contingency. The circumstances under which the relief may be obtained, however, are not always present, and it may be that the branch manager, or other employee, has managed successfully to avoid the possibility of prosecution.

One expedient designed to afford protection

of good-will is the insertion of a clause in the contract limiting the activities of the employee after he leaves. This clause may provide that for a given number of years the employee shall not engage in the same business, or the same profession, or shall not enter the employ of another so engaged in the particular locality. At once, the question to be decided is how long shall the period extend, and to what territory shall the restriction apply.

There is danger in making the territory, or the time, too extensive. This would violate the provision of the contract law, that contracts in restraint of trade are void. Carelessness in this particular may prevent the business or professional man from securing that protection which the contract was to have accorded him.

No definite rule can be laid down as to exact extents either of time or of territory. These are governed by the individual circumstances surrounding each case. There is, nevertheless, a principle which will guide in formulating the provision. This principle is that the courts will uphold the provision so long as the limitations of time, or of locality, are not beyond those necessary to the adequate protection of the good-will.

For example, if the scope of the business covers a city only, then the restriction may be as to a city; if a state, then it may extend to the state. In cases of sales of businesses covering the entire United States, careful lawyers usually omit a few of the states. The provision may read, under these circumstances, "all of the states of the United States, excepting Nevada and Idaho."

In view of the difficulties such a provision in employment contracts might overcome, it is surprising that it is so seldom used. Certainly the experience of business and of professional men with branch managers, and other employees leaving their employ, justifies its use. Within the limitations stated, the provision affords an adequate and needed protection against the dangers incident to the loss of a trusted employee.

#### Distinction in Contracts

ONE of the distinctions frequently met with in the Law of Agency is that between an agent and an independent contractor. This distinction has an important bearing upon the liability of the person in whose behalf acts may be done.

Probably the distinction arises mostly in cases of torts. By reason of the negligence of the person undertaking the work, some one may be injured, or some property right may be damaged. The question then is whether the person who was negligent is responsible, or whether

the responsibility is that of the person for whom the work is being done.

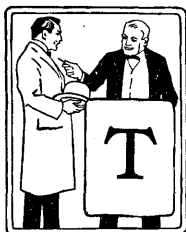
Naturally, the relationship created is determined by the wording of the contract. If the contract is such that the person for whom the work is being done has no control over the manner of doing the work, but is merely concerned with the results obtained, then the relationship between him and the other person is that of an independent contractor. If, however, the principal is concerned with, or has control over, the manner in which the thing is to be done, as well as with the results, then the relationship created is that of agency.

Injuries or damage may result from the manner in which the thing is done. In this case, if an agency relationship exists, and the manner of doing is within the scope of the agency, then the principal is liable. Should the relationship of independent contractor exist, then the person for whom the work is done is not liable under the statute.

Should the results of the work done cause the injury, then the person for whom the work is done is liable in either instance. For example, if the person for whom the work is done directs the contractor so to construct the building that it infringes upon the property rights of another, then that person is liable for the damage sustained.

There are a number of border-line cases in which it is difficult to distinguish just the character of the relationship created. One of these is where negotiable paper is deposited for collection with a banking institution. The banking institution sends it on to another banking institution in another city. The clerk in the latter city may place the commercial paper in a pigeon-hole, forgetting to collect it, with the result that the amount is not collected. Here the question arises as to whether the banking institution in the second city is a subagent of the banking institution of the first city, or whether it is an independent contractor. If it is a subagent, then its negligence is not imputable to the first bank, but the second bank is liable directly to the principal. If it is an independent contractor, then the principal may seek his redress against the first bank. On this point the Federal cases hold one way, while the weight of the cases in the states hold the other way.

It is frequently within the control of the parties definitely to fix in the contract the relationship established. This is often desirable in case one of the parties wants to avoid certain liabilities which might arise out of a relationship other than that specified.



HIS Department does not publish answers to all of the questions received, but only to those which we deem to be of general interest to our readers. A communication, in order to receive attention, must contain the name and the address of the person asking the question.

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tion and presentation of accountants' findings in report form. A year or so of such work under a competent accountant would be of extreme value to you—very often it is of more value than a year of junior work. However, such experience probably would not count toward a C.P.A. certificate. We know of several practising accountants who started their accounting career in the report department of a public accountant's office, and they believe it to be one of the best methods of entering the profession.

**Q** I AM the bookkeeper of a corporation, and am also acting as secretary, this being merely a routine position. The President has been drawing one hundred and twenty-five dollars a week for many months—in fact, since before my entering their employ. I have looked over the minutes of my predecessor, as a matter of interest, and find a vote of the directors, two years ago, placing the President's salary at fifty dollars a week. Please tell me the significance of this resolution, and what bearing it has on the payments that have been made to the President.

**A** The directors of a corporation act as the representatives of the stockholders in running the business. One of their duties is to fix salaries of the officers, and having fixed the salaries of the officers, the officers are not entitled to draw in excess of the amount allowed them by the board of directors. It would seem that the President, in drawing one hundred and twenty-five dollars a week, has not been authorized by the board, and in order to straighten the matter out, it would be well to put the matter up to the corporation's attorney to have a new resolution passed, authorizing the salary of the President at one hundred and twenty-five dollars a week, and making the resolution retroactive to cover the period during which he has been drawing this amount.

If the President has been drawing the one hundred and twenty-five dollars a week unknown to the directors, the situation, of course, is one that demands other attention.

In general, however, it may be stated that the payments made to officers must conform to the amounts allowed them, as shown by the Minute Book containing the record of the meetings of directors and stockholders.

**Q** I AM a stenographer and am studying Accountancy. I have an opportunity to enter the employ of a certified public accountant as a stenographer. I prefer, however, to go in as a junior accountant. What would you advise?

**A** A stenographer in a public accountant's office whose work is in the report department gains much valuable experience in regard to the colla-

**I**N making a cash reconciliation each month, I add outstanding checks to the bank balance to get my cash balance. Our auditor has criticized this method and says it is wrong. Will you please give me your attitude on the subject.

The cash reconciliation is, in the final analysis, a supporting schedule of the cash items on the Balance Sheet. It should, therefore, work to the actual cash balance, which is obtained by deducting the outstanding checks from the bank balance to get the true cash balance. Reconciliation is made by preparing a schedule of adjustments to the Cash-book balance to show wherein the Cash-book balance differs from the true cash balance. The following will illustrate the most approved method of preparing a reconciliation:

Balance as by Bank Statement .....	\$1,000
Less: Outstanding Checks	
(Listed in detail) .....	200
	<hr/>
Actual Cash Balance .....	\$ 800
Balance as by Cash-book .....	\$801
Add: Interest on Bank Balance	
not yet Entered .....	\$2
Less: Exchange not yet	
Entered .....	1 1
	<hr/>
Actual Cash Balance .....	\$ 800

**I** AM engaged in organizing a system of accounts for a laundry and cleaning business. In preparing a Statement of Profit and Loss, would it be proper to use a caption "Cost of Sales," and to include under this caption the salary of the manager, the engineer, the foreman, fuel, power, light, building repairs, etc.? Also, would you recommend a division of other expenses into selling and administrative? In other words, can a business of this nature be governed by accounting such as is used by manufacturing concerns? I refer particularly to the solution on page twenty-six of the January (1918) issue of The Pace Student.

There are no set standards of presentation of fact in a Profit and Loss Account for any business, whether it be a laundry, a manufacturing organization, a trading organization, or any other kind of an organization. If it will give useful information to the management to present gross income, and to offset against the gross income the actual expenses of running the laundry, with a resulting figure corresponding to the gross profit in the trading enterprise, then such presentation is worth while. For the same reason, if it would serve any useful purpose to divide the remaining expenses as between selling and administrative, it would be well to make such distinction. We question, however, the use of the term "Cost of Sales" to designate the expenses of running the laundry. It would probably be better to call them "Laundry Expenses."

On the Profit and Loss Account of a trading enterprise, the division to show sales, cost of goods sold, and expenses, analyzed into selling, administrative, and capital, is carried on solely to give a better insight into operations. The principle of adequate presentation of essential facts is equally as important in the laundry business as in the merchandising business.

**Q** WE have several railroad claims which we have submitted to the railroad companies. We do not know whether they will be allowed or not. Our fiscal year ends December 31st. Please tell me how I should treat these claims in preparing our Balance Sheet.

**A** If you can arrive at a fair estimate of the amount you expect to collect, the railroad claims can be shown on the asset side of the Balance Sheet as follows:

Railroad Claims .....	\$....
Less: Portion Deemed Uncol- lectable .....	\$....
Net Estimated Value .....	\$....

If a fairly accurate estimate can not be made of the railroad claims, it would be good policy to list them in the Balance Sheet at a nominal figure of one dollar and to explain the figure by a supporting schedule.

A third method would be to omit the figure entirely from the money columns on the Balance Sheet, but to list the items in the body of the Balance Sheet in an indent column, or to show the specific items in the foot-note as a contingent asset.

Since the preparation of a Balance Sheet is

largely a matter of judgment as regards valuation, your own analysis of the situation must determine what method is preferable in the particular case to be considered.

**I** HEARD our controller and our auditor discussing "depletion," the auditor claiming that "depletion should be written off." What did he mean by that?

**A** Your concern evidently is engaged in a mining or similar enterprise. "Depletion" means the exhaustion of the natural deposit through the extraction of the mineral from the mine. If it is the policy of the company to maintain the original fund of assets, some provision should be made for retaining in the company a sum estimated to equal the value of the mineral taken out. If, however, there is no necessity of maintaining the initial value of the assets, as a general proposition, there is no necessity for making such provision.

It may be that the auditor meant setting up a reserve to cover the value of the metal mined.

**I** HAVE passed the New York State Certified Public Accountant examinations. I am employed by a savings bank in an executive capacity. Evenings, Saturday afternoons, and holidays I am doing public accounting work, sometimes for my own clients and sometimes employed by a public accountant. I am doing this largely to qualify for my certificate. I have been given to understand that this experience is of no use for such purpose. Please inform me as to this.

**A** The Board of Certified Public Accountant Examiners are the proper persons to whom your question should be addressed. We suggest that you communicate with Mr. Charles F. McCulloh, C.P.A., secretary of the Board, 43 Exchange Place, New York City.

## EVENING CLASSES

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## PERSEVERANCE

—it is a word to conjure with. It overcomes insuperable obstacles, it makes the impossible possible, it results in a more efficient performance of even the every-day task.

*Perseverance* Perseverance has won more battles than genius may ever hope to win. Grant retrieved his financial misfortunes through perseverance; Milton produced much of his wonderful poetry in the face of blindness and unwillingness on the part of his daughters to help him; Roosevelt, by persevering effort, developed himself from a physical weakling until he became, in the eyes of the world, the exemplification of the virile American statesman and publicist.

More important, however, than all of the results achieved by the application of perseverance, is its influence on character upbuilding. The man who can apply himself to continue along a given line despite discouragements and interferences is the man who accomplishes his aims. He develops his will-power, his ability to receive, to assimilate, to produce. The return for his developed abilities is commensurate with his accomplishments. What is more, his capacity begets increased capacity, and there is no limit to his ultimate reward. Lack of perseverance means incompetence, mediocrity, oblivion, and downright and irretrievable failure.

Study, then, practical methods of acquiring this necessary characteristic. Do not be turned aside before you have reached your goal. Be you a student, remember that your fellow-students are meeting and overcoming, by application, the self-same obstacles you are encountering; be you a worker, remember that the complete, sustained performance of a given task makes the succeeding task the lighter. Above all, remember that perseverance is an essential in the finished product which you are striving to make of yourself—the real man, the accomplished woman.

**D**ON'T tell all you know, but know all you tell." Here we have an aphoristic maxim (thanks to the New York Telephone Company)

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which has almost a biting application to most of us in business. Loose talk, what a bane it is to every organization! Loose talk about what

so-and-so earns—gets, rather! Loose talk about what somebody said about somebody else! Loose talk about organization policies and methods! Loose talk about the personal traits of this one and the personal habits of that one! Who was it that said that "it is astonishing how much most of us 'know that 'ain't' true'?" Let us know all we tell.

But even if we know it, why tell it—all of it, anyway? What do we gain by gossiping here, confiding there, and complaining over yonder? "A closed mouth never jails its possessor," is an old proverb that fits in here. Take a look at the really big men of your acquaintance. Do

you catch them babbling out everything they know whenever a chance listener is about? It's the little folks, the routine clerks, that do most of an organization's babbling; and doing this sort of thing is a sure sign of littleness of mind and outlook. So if you would grow up mentally, know all you tell, and tell only a small part of it.

## THE PACE STUDENT

*A Magazine of Service  
Interpreting  
the Purpose, Spirit, and Needs  
of Modern Business*

*Published Monthly*

*Subscription Price \$1.50  
a Year, Payable in Advance*

*PACE & PACE, Publishers  
30 Church Street  
New York*

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**C**LASSIFICATION, so much used in accounting, has its use in newspaper work. One of the most striking examples of this is the manner in which the different newspapers pub-

lished the casualty list. Some of the papers made little or no effort to classify. In those instances, the reader was compelled to go through the entire list, or a great part of it, to ascertain whether or not any of his or her relatives or friends were included. It was quite a relief to find a newspaper which used logic and skill in classifying the names.

Probably the best classification of any was that of the *New York Tribune*. There were two main divisions, New York City and vicinity, and elsewhere. Under New York City and vicinity, the names were arranged according to the character of the casualty. The list was, ordinarily, so short that within a few minutes any one could read all of the names. Officers' names were in italics, those of enlisted men were in plain type. Those names which were recorded as being elsewhere than in New York

*Classification*

City were arranged according to the states in the Union. Under each state, the names of any persons appearing in the list for that day from that state were given, officers italicized, and enlisted men in plain type. After the name, the character of the casualty was indicated by an abbreviation, as, for example, k. for killed, w. for wounded, d.d. for died of disease, d.w. for died of wounds, and so on. Unquestionably, the arrangement of this list entailed not a little labor on the part of certain members of the staff of the *Tribune*. Yet by their labors, the time of a great number of readers was saved, in that those parts of the list of most interest to the individual could be selected without looking over all of the list.

In other respects, the *New York Tribune* is a very well arranged newspaper. Certain it is that the efforts of the publishers to present a newspaper wherein the news of interest to given classes of readers is quickly found is a commendable public service. It is all done by classification, by division into parts, and by orderly arrangement of parts, in the same manner that the facts of a business are classified and arranged for quick and ready reference. Many are the applications and the uses of systematic classification.

Immediate  
vs.  
Ultimate

**T**WO vocational problems confront every thinking young man and young woman in business. One is the problem of the immediate in advancement and earning capacity; the other is the problem of the ultimate in these matters. These two problems—paradoxical though it sounds—are at once one and the same, and separate and distinct.

They are one and the same in that immediate advancement often opens the way to further advancement, which in turn may lead to still greater accomplishment. This is true, of course, only if one is long-headed enough to enter that division of business for which he is best fitted by temperament, education, and experience, and in which opportunities for advancement are most likely to occur. These conditions being true, it usually follows that the better a man does his work to-day and the more time and energy he expends in grasping the relation of his work to that of the organization as a whole, the surer are his chances of ultimate success. Herein lies at least one phase of the similarity between the immediate and the ultimate as respects business advancement.

But the problems of the immediate and the ultimate are also separate and distinct. What is true of the immediate in respect to earning

power and the consequent ability to assume responsibility is seldom true of the ultimate. Just here is where many young men make mistakes in their reasoning. They are likely to think that, because of industrious and loyal service in work that is largely routine, they are qualified to do big work in a big way, and that when they are not selected for positions of this kind, they are the unfortunate and hapless victims of favoritism.

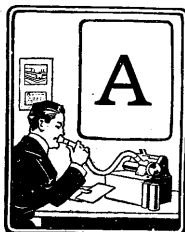
The review of the upward careers of all successful business men almost invariably shows that they have attained the ultimate in high positions and large salaries by making successes out of advancing gradations of the immediate. The point is, of course, that if you wish to make yourself a ten-thousand-dollar-a-year man, you must first show that you are worth two thousand, four thousand, six thousand dollars, and so on. This is a business law which, operative all the time, has just enough exceptions to prove its demonstrable truth.

**T**HAT the business world feels that academic institutions should give their students thorough training in business fundamentals is evidenced by the following extract from Babson's Barometer Letter, published a short time ago:

*College Training for Business Leadership*

"College clients should make their plans to get back on a peace basis at the earliest possible moment. The period of keen competition, both in domestic and foreign trade, that will surely follow the conclusion of peace will put a premium on men thoroughly trained in the problems of business administration. Moreover, with so many chaotic theories of new social orders abroad, it is important that effort shall be made to clarify the issues in the minds of our younger men. Particular attention should be paid to the schools of commerce or business administration among the universities. We urge those of our college clients who have not as yet developed such a branch of their institution to plan to do so at once.

"The colleges must undertake the task of equipping leaders of American business for the service of peace with the same promptness and thoroughness that has been shown by our colleges in undertaking the training for war. They should aim to build up a high-grade college of business administration, where the degree will be just as desirable to the man who aspires to a position of responsibility in the conduct of a business enterprise as the degrees of A.M. and Ph.D. are to the teacher, M.D. to the physician, or LL.B. to the aspiring lawyer."



REAL-ESTATE proposition, given in the final examinations of the Pace Standardized Courses, June, 1918, illustrates many of the principles of elementary accounting. The proposition includes consideration of the distribution of the costs, of the treatment of reserves, and of the partnership relation. Furthermore, it covers the manner of handling accounts in connection with real-estate subdivisions.

This proposition reads:

On January 2, 1917, J. Brown and W. Black form a partnership to engage in a real-estate venture. Brown contributes cash to the amount of \$10,000, and Black, real estate to the amount of \$20,000. Nothing is contained in the agreement about the distribution of profits or losses.

In addition to the real estate brought into the business by Black, another parcel is purchased of the value of \$5,000 for cash. Conveyancing fees of the amount of \$25 are paid in cash. It is estimated that the cost of permanent improvements will be \$3,600.

The property is divided into six lots. Distribution of the costs is to be made as to each of these lots, as follows:

Lot A, 20%	Lot D, 15%
Lot B, 20%	Lot E, 15%
Lot C, 20%	Lot F, 10%

During the year, cash was paid out for permanent improvements amounting to \$1,600, and for administrative and selling expenses amounting to \$756.15. Lot B was sold for \$7,000, Lot C for \$7,200, and Lot D for \$6,000.

You are asked to make all necessary Journal entries and to prepare a Profit and Loss Account and Balance Sheet.

## SOLUTION

### JOURNAL ENTRIES

CASH .....	\$10,000.00.
To J. BROWN, Capital	
Account .....	\$10,000.00
For capital contributed	
REAL ESTATE .....	20,000.00
To W. BLACK, Capital	
Account .....	20,000.00
For capital contributed	
REAL ESTATE .....	5,000.00
To CASH .....	5,000.00
For purchase additional parcel	

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REAL ESTATE .	\$25.00	
To Cash .....		\$25.00
For conveyancing		
REAL ESTATE .	3,600.00	
To RESERVE FOR PERMA- NENT IMPROVEMENTS.		3,600.00
For setting up of estimated costs of improving property		
Lot A .....	5,725.00	
" B .....	5,725.00	
" C .....	5,725.00	
" D .....	4,293.75	
" E .....	4,293.75	
" F .....	2,862.50	
To REAL ESTATE .....		28,625.00
To distribute to lots actual and estimated costs		
RESERVE FOR PERMANENT IMPROVEMENTS .....	1,600.00	
To CASH .....		1,600.00
For payments for permanent im- provements		
CASH .....	20,200.00	
To LOT B .....		7,000.00
" " C .....		7,200.00
" " D .....		6,000.00
For sale of lots B, C, and D		
EXPENSE .....	756.15	
To CASH .....		756.15
LOT B .....	1,275.00	
" C .....	1,475.00	
" D .....	1,706.25	
To PROFIT AND LOSS ....		4,456.25
For transfer		
PROFIT AND LOSS .....	756.15	
To EXPENSES .....		756.15
For transfer		
PROFIT AND LOSS .....	3,700.10	
To J. BROWN, Capital		
Account .....		1,850.05
To WM. BLACK, Capital		
Account .....		1,850.05

### BROWN & BLACK

#### Profit and Loss Account for Year Ending December 31, 1917

SALES:	
Lot B .....	\$1,275.00
Lot C .....	1,475.00
Lot D .....	1,706.25
Total .....	\$4,456.25
Less:	
Expenses .....	756.15
Net Profit .....	<u>\$3,710.10</u>

# BROWN & BLACK

Balance Sheet as at December 31, 1917

## ASSETS

Cash .....	\$22,818.85
Unsold Lots .....	\$12,881.25
Less: Reserve for permanent improvements .....	2,000.00

10,881.25

\$33,700.10

## CAPITAL

J. BROWN:	
Capital at beginning .....	\$10,000.00
Profit for year (1-2) .....	1,850.05
	<u>\$11,850.05</u>

W. BLACK:	
Capital at beginning .....	\$20,000.00
Profit for year (1-2) .....	1,850.05
	<u>21,850.05</u>
	<u>\$33,700.10</u>

## COMMENTS

After the entries which open up the books of account, it is noted that certain entries are made respecting cost of the real estate. These entries involve the principle of the distribution of costs as between the trading section and the profit and loss section. They also involve the distribution of costs as to accounting periods and as to the lots into which the subdivision is divided.

Real estate is, ordinarily, a fixed asset, held for the purposes of the business. In this instance, the real estate is an asset held for purposes of realization.

Any costs connected with making the real estate available for purposes of sale are to be included in the costs of the real estate. These costs, in the solution, have been debited to the Real-estate Account in the first instance. The costs include conveyancing fees, and the estimated costs of permanent improvements.

As a result of including the costs mentioned in the Real-estate Account, they are treated as asset value until a sale is made. In other words, each accounting period has charged against the selling price of the real estate sold only such of these costs as are applicable to that real estate, the costs as to unsold real estate being considered asset value.

It is noted that the estimated costs of the permanent improvements are carried in a reserve account, captioned "Reserve for Permanent Improvements." The effect of this is to bring the estimated cost into the books before the actual expenditures are made. This reserve is a credit

item, deductible from the asset to which it appertains—that is to say, real estate—on the Balance Sheet.

The several costs chargeable to real estate having been ascertained, they are then distributed as to the individual lots. This is done on a percentage basis prescribed by the proposition. In practice, a number of bases may be employed, one of which is to distribute on the basis of probable selling price. Although there are some objections to this method, it is the one most usually employed. It consists of estimating as to each lot the probable selling price, the costs being distributed as to each according to the ratio existing between the probable selling price of the lot and the probable selling price of all of the lots.

The entry following the distribution entry shows the treatment as to payments for permanent improvements. These are charged against the reserve that has been set up. Accordingly, this reserve shows on the one side the estimated cost, and on the other side the actual expenditures, with respect to permanent improvements. Should it be found that there is a wide variance, then this account may be adjusted accordingly, in conjunction with the Unsold Lot Accounts.

Upon the sale of the respective lots, the selling price is credited to each, the balance representing gross profit (assuming a gross profit) as to each lot.

Selling and administrative expenses are chargeable against the profits of each year, and are not included in the cost of the real estate, subject to the qualification that extraordinary expenses, such as are incident to special advertising campaigns, may be treated as deferred charges.

The balances in the accounts of lots which have been sold are finally transferred to the Profit and Loss Account, against which account the expenses are charged. Inasmuch as nothing was mentioned in the partnership agreement concerning the distribution of profits and losses, they are distributed equally among the partners.

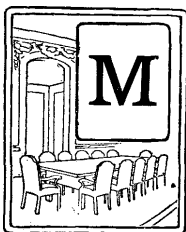
In the Balance Sheet, it will be noted that the unsold lots are stated first as to the debits in the lot accounts on the books, from which the reserve is deducted, and the balance, representing the estimated actual value, is carried out.

*Should you agree to advance money to be secured by mortgage for the purpose of redeeming another mortgage of the debtor, care should be exercised to have the agreement indicate the purchase of the debt or that you are a surety for the debt, and not that you are making a separate and distinct loan. Should any defect then develop in the new mortgage, you will have the right to be subrogated to the mortgage paid off.*

## English Department

Horatio N. Drury, A.B.

## Length of Business Letters



ANY writers of business letters have a mistaken idea as to the proper length of a business letter. They are inclined to take the position — subconsciously, at any

rate—that every business letter should be short. This assumption is not always true, by any means. The length of a business letter depends upon many things; for example, the ground to be covered, the conditions that are peculiar to the subject of the letter, the object of the letter, and the like. It follows, therefore, that very often a long letter is demanded by the nature of the case.

One phase of brevity in business letters, however, warrants explanation. There is no sense in writing a rambling, incoherent, repetitive style that obscures the thought and thereby hampers the action that you wish to secure. It is astonishing how many business letters fail in their purpose, because of this unwieldiness of style—letters that usually turn out to be twice or three times as long as they need be or should be.

By bearing in mind a few simple rules, the average business correspondent should have as little difficulty in keeping his business letters as brief as the nature of the subject-matter will allow. Let him, first of all, think through his letter as a whole before he begins to dictate, arranging his points—if there be more than one—in natural and logical order. Then let him use simple, natural words and phrases in preference to heavy, stereotyped expressions. And let him, for the most part, frame short sentences rather than long, cumbersome ones.

William Maxwell, a stimulating writer on the subject of business letters, avers that the formula for letters that are legitimately brief is responsive directness, plus brevity, plus unmistakable friendliness. Mr. Maxwell suggests that the reader compare for himself the two letters that follow, drawing his own conclusions as to which of the two letters is the better one, and why:

### Example One (200 Words)

"Your kind favor of the 20th inst. to hand and contents duly noted.

"In reply to your statement that you received a shipment of three Model Automatic Machines without the new style feed levers, would

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state that this is not a shortage. You say you can not understand why same were not shipped with the machines, and that something must be the matter with our packing department. Beg to advise that these feed levers are not included in the outfits, but are special, and not covered in the price of the machines.

"In other words, in any case where you wish us to supply the new style feed levers on our Model 10 Automatic Machines, you should specify on your orders that this equipment is desired, and we shall be glad to do as you request. Of course, where you order new levers, there will be an extra charge of \$2 each, and if you want the new feed levers for the machines you have just received, you will have to send us another order.

"Trusting our explanation as above is satisfactory, and awaiting your further favors, which will receive the best of our service and attention, we remain,"

### Example Two (85 Words)

"Your letter of November 20th indicates that our catalog was not available when you ordered the three Model No. 10 Automatic Machines.

"On page 14 of the enclosed catalog, you will find the new style feed lever described as an extra attachment—(\$2 each, net). It could not be included at the rock-bottom price you secured.

"Shall we send you the levers? If so, wire us 'Collect,' and we will rush three by prepaid express, billing them at \$6 net.

"We are sorry that the misunderstanding occurred."

For the purposes of further illustration, examine the following pair of letters:

### Example Three (196 Words)

"There is no doubt in anybody's mind about the publicity value of advertising, and one of the most productive forms of advertising is the direct method. This is the kind of advertising which 'Polkway' stands for and has made very prominent.

"One important fact connected with the 'Polkway' message is that it is dispatched to authoritative names and addresses of persons in

practically all sections of the United States, so that its destination is about as accurate as human endeavor, which is not perfect, of course, can make it.

"The Polkway Service, so far as all phases of it are concerned, includes all kinds of details appertaining to advertising service—such details as those related to copy-writing, printing, folding, enclosing, addressing, stamping, and mailing literature; and every branch of this service, which is the most judicious kind of advertising, is highly specialized and in the charge of experts.

"We would suggest that you look into the Polkway Service, even if you can not take it up just at present; and there will be no obligation to you in any way if our representative calls and explains our Service to you, possibly suggesting something of value."

### Example Four (122 Words)

"One of the most effective forms of modern publicity is the 'Polkway' of direct advertising.

"The 'Polkway' message is sent to authoritative names and addresses of persons throughout the United States; hence its accuracy in destination.

"The Polkway Service in its entirety comprises all details connected with judicious advertising—such details as copy-writing, printing, folding, enclosing, addressing, stamping, and mailing literature. Every branch of the service is highly specialized.

"You would find it to your advantage to look into the Polkway Service, even if you do not care to take it up just at present.

"Shall we send a representative to explain our Service to you? He may suggest something of value to you. You will incur no obligation, of course."

The kind of brevity exemplified above is, of course, a most desirable kind. Think straight; arrange your thoughts in an orderly, forward-moving way; and write simply and directly, making sure that every sentence you construct is unmistakably clear. Doing these things, you will not need to worry about brevity. The chances are that your letters will be of just about the right length.

MORRIS ROSENBLUM, Pace Institute, New York, has been appointed income-tax inspector, with headquarters in New York.

The practical experience that Mr. Doucette gained as a practising accountant gave him additional qualifications for an executive position of responsibility in the field of private business, and such a position was soon offered him by the Acme White Lead and Color Works, a national concern, with five factories and with thirty-nine branches throughout the United States. Mr. Doucette was the office manager of this concern's Minneapolis branch from 1912 till 1914, when he was promoted to the managership of the Los Angeles factory branch, where he has been ever since.

Mr. Doucette's business ability and high commercial standing have not been without recognition. For two years he served on the board of directors of the Building Dealers' Credit Association, of Los Angeles, and for two years he was the Chairman of the Paint Manufacturers' Credit Association, of that city.

Mr. Doucette has been successful in business for many reasons, some of which this brief sketch at least suggests. He has been a consistent student of business purposes, principles, and methods, and he is still a student. He has refused to be satisfied with routine positions, and he has forced recognition of his ability to handle important executive tasks. Such a man just naturally refuses to be kept down.

### Fees for Professional Services

**Y**OU are not paying for fifteen minutes' time; you are paying for fifteen minutes made possible by a lifetime of experience and training." In these words, Joseph H. Choate, the famous lawyer, answered the complaint of a client that his bill of twenty-five thousand dollars for a fifteen-minute consultation was exorbitant. It is recorded that the client apologized to the lawyer. These words, and the truth which lies behind these words, demonstrate the absurdity of making charges for professional services on a time basis.

The profession of Accountancy is one of the few professions which charge on the basis of time. There is as little reason for such a basis in the case of accountants as there would be in the case of other professions.

There are, to be sure, instances of where the clients protest when the fee seems large in proportion to the time utilized in rendering the service. These cases are comparatively few, and in many instances, are easily answered by the professional man.

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As another illustration, certain work was performed by a mechanical engineer. This engineer was called into a factory which had to shut down because of some disarrangement of machinery which could not be discovered by the regular force. Within ten minutes after reaching the plant the engineer had the trouble adjusted. The bill was two thousand five hundred dollars. The manufacturer protested, and asked for an itemized statement. In turn, the engineer complied, listing various items as constituting his traveling expenses—amounting to seventy-five dollars, and then stating, "Knowing How, two thousand four hundred and twenty-five dollars."

This same engineer, in another instance, was called upon to ascertain the profit possibilities of a concern which was having financial troubles. He spent a week in the establishment, examining into the work that was being done and into the financial records. At the end of the week, he submitted a bill for seven thousand dollars. Along with the bill was his report. The report was in a leather binding. The pages were of satin finished paper. On the cover, the name of the concern was printed in gold letters. The report consisted of three words: these were, "Close the business."

Ordinarily, the client is not averse to paying a reasonable charge for services rendered, regardless of the time element. There are instances, sometimes cited, of where it might seem that the professional man took advantage of the client in this particular. For example, of a certain New York lawyer it is stated that he informed an English client that the fee would be 20,000. A short time later, the Englishman called up the lawyer and said, "My dear sir, I wish to ask about the fee; you stated it would be 20,000. May I inquire whether you meant 20,000 pounds or 20,000 dollars?" Without a moment's hesitation, the lawyer replied, "Pounds." The Englishman paid the fee without protest.

The last incident is cited to show the general attitude that is taken by most clients toward a fee. The intelligent client is willing to pay for the value of the services he receives, without regard to the time consumed. Moreover, if there is

doubt as to the value of the services, it is usually found that the client is willing to give the professional man the benefit of the doubt.

Is the service of the accountant to be measured by the clock? One-half day spent in an establishment may result in advice of vastly greater value than it is possible to give after days of service. It is illogical and unjust to charge a larger fee in the second case than would be charged in the first case. The opportunities for service are not equal; they are not measured purely by units of time. If in the shorter time a greater service is rendered, then the accountant should charge the fee in accordance with the service.

In a short consultation, the accountant, like the lawyer or other professional man, may be required to draw upon his experience and training covering years of time. Are these years to be totally disregarded, or is this training drawn upon to be given the same weight as in a case where the work might be done by a vastly less experienced man?

Custom and usage result in this manner of fixing fees on the part of the Accountancy profession. The profession is thoroughly organized. There are State Associations and there is the American Institute. All the mechanism is present that is essential to the changing of this unfair basis of making charges. The change should be made, not only because it is unfair to the accountant, but because, in the last analysis, it is unfair to the clients of the accountant.

**HARRY A. FINK**, of Pace Institute, has accepted a position with the firm of Watterson & Tompkins, 303 Fifth Avenue, as a semi-senior accountant.

**E. C. GROSSICK**, who was with the Steel Equipment Corporation at Avenel, New Jersey, as bookkeeper and cost accountant, has accepted a position with G. Amsinck & Company, at 96 Wall Street. Mr. Grossick has been attending Pace Institute for about one year.

**E. FILLMAN SMITH**, who has been with the Aquacate Mining Company in Costa Rica as accountant and auditor, has accepted a position as bookkeeper with John Irving, Jr., 431 Amsterdam Avenue, New York. Mr. Smith has been a member of the Extension Classes of Pace Institute.



# Telling the Short Story

by  
Harvey  
M. Kelley,  
A.M.

**D**O you know how to tell a story? The majority of people do not. They do not realize that the leading action should subordinate all other elements; nor do they appreciate that what can be told is but a small part of what might be told.

Two men stand out in American literature as masters of the short story. They are Francis Richard Stockton and Edward Everett Hale.

No other American writer has equaled Mr. Hale in the ability to make history out of fiction. His *Man Without a Country* is thought by some critics to be the greatest short story in all literature. The story of fifty years is told in less than one hundred pages, yet it is a masterpiece. Every American should know this story.

The introduction begins with the death notice of Philip Nolan, who died May 11, 1863, on board the United States Corvette *Levant*. Interest is clinched by a description of the fine young officer and his attachment to Aaron Burr, the consequent court-martial of Nolan for treason which ended with his curse, in a fit of frenzy, of—

"D—n the United States!

I wish I may never hear of the United States again!"

The fulfilment of his wish—the punishment for his curse, is the real action of the story. The sentence of the court ordered that no one should mention the United States to the prisoner while he was on board ship, and that under no circumstances was he to see her name or see any information regarding his country. On cruise after cruise, never landing, he was transferred at sea from ship to ship. He became the "Man Without a Country."

Nolan, poor fellow, repented of his folly, and then like a man submitted to the fate he had asked for. One incident shows how he could suffer.

It was on the first cruise. A group of the ship's company were reading the "Lay of the Last Minstrel." Nolan in his turn took the book and read to the others. He read through the fifth canto, stopped a minute, and then began, without a thought of what was coming:

"Breathes there the man, with soul so dead

Who never to himself hath said—

This is my own, my native land!"

Then they all saw something was to pay, he turned a little pale, but plunged on—

"Whose heart hath ne'er within him burned

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As home his footsteps he hath turned

From wandering on a foreign strand?

If such there breathe, go, mark him well,"—

By this time the men were all beside themselves, wishing there was any way to make him turn over two pages; but he had not quite presence of mind for that: he gaged a little, colored crimson, and staggered on—

"For him no minstrel raptures swell;

High though his titles, proud his name,

Boundless his wealth as wish can claim,

Despite these titles, power, and pelf,

The wretch, concentrated all in self,"—

and here the poor fellow choked, could not go on, but started up, swung the book into the sea, vanished into his stateroom, and was not seen for two months.

The rest of the story is told in a simple, straightforward way, with emphasis on the significant events. The interest rises, progressively, to a climax and then shortly comes to a conclusion. This describes the last days of Philip Nolan, the gentle, uncomplaining, silent sufferer that he ever was, bearing as best he could his self-appointed punishment.

If you are interested in short stories and want to know how to tell them, read the stories of Francis Richard Stockton and Edward Everett Hale.

**EDWARD H. COHN**, Pace Institute, is now in the employ of the Franklin Audit Company. Mr. Cohn was formerly on the staff of Subin & Wolfson.

**C. WILLARD BOYD**, a student at Pace Institute, has received his discharge from the United States Army, and is at present located with the United States Food Administration, at 42 Broadway.

**GEORGE E. HUGHES**, a member of the Pace Institute Accountancy classes, formerly with the United States Railroad Administration in Washington, D. C., is now with the Atlantic and Pacific Tea Company, in Jersey City.

**ANDREW E. GILLIS**, a graduate of Pace Institute, has severed his connection with the Travellers' Insurance Company, and accepted a position as junior accountant with the firm of Eckes & Dean, 141 Broadway.

**PAUL PREGER**, of Pace Institute, has located as junior accountant with Price, Waterhouse & Company, 54 William Street. Mr. Preger was formerly with E. H. Rollins & Sons, 43 Exchange Place, as head bookkeeper.

**HENRY P. WARD**, a graduate of Pace Institute, has accepted a position as accountant with Price, Waterhouse & Company, at 54 William Street. Mr. Ward was formerly employed by the Underwood Typewriter Company as auditor.

**EDWIN D. FROST**, a senior accountant on the professional staff of Pace & Pace, recently passed the New York State C.P.A. examinations, and will shortly receive his professional degree. Mr. Frost is a graduate of Pace Institute, New York.

**DOUGLAS TALBOT**, who has attended Pace Institute for about a year, has resigned the position he held as bookkeeper with the Fidelity Casualty Company to accept one with the firm of Edward Dickenson, Inc., at 200 Fifth Avenue.

**SAMUEL KANDELL**, who has completed two years of study at Pace Institute of Accountancy, has accepted a position with J. Edward Ogden, 147 Cedar Street. Mr. Kandell, until recently, was with Stone & Warren, commission merchants, at 346 Broadway.

**G. A. RUHL**, C.P.A., a graduate of the Pace Standardized Extension Courses, makes the announcement that he has recently become associated with the Accountancy firm of Marwick, Mitchell, Peat & Company, whose offices are 309 Hibernia Bank Building, New Orleans, La.

**O. C. BAKER, JR.**, has accepted a position as senior accountant with Searle & Nicholson, of 52 Broadway. Mr. Baker has just completed a year of service with the Emergency Fleet Corporation, of Newark, New Jersey, where he acted in the capacity of chief clerk in the office of the resident engineer.

**My Guide** **T**HE following is said to have been found among the papers of Thomas Van Alstyne. Mr. Van Alstyne was for many years electrical engineer for the Westinghouse Company. He died at Hanley, Canada, October, 1913. The following paragraphs were undoubtedly his inspiration for the force, direction, and purpose of the service he strove to render to his times and his business.

To respect my country, my profession, and myself. To be honest and fair with my fellow-men, as I expect them to be honest and square with me. To be a loyal citizen of the United States of America. To speak of it with praise, and act always as a trustworthy custodian of its good name. To be a man whose name carries weight wherever it goes.

To base my expectations of reward on a solid foundation of service rendered. To be willing to pay the price of success in honest effort. To look upon my work as an opportunity to be seized with joy and made the most of, and not as painful drudgery to be reluctantly endured.

To remember that success lies within myself—my own brain, my own ambition, my own courage and determination. To expect difficulties and force my way through them. To turn hard experience into capital for future use.

To believe in my proposition, heart and soul. To carry an air of optimism in the presence of those I meet. To dispel ill temper with cheerfulness, kill doubts with a strong conviction, and reduce active friction with an agreeable personality.

To make a study of my business. To know my profession in every detail. To mix brains with my efforts, and use system and method in my work. *To find time to do every needful thing by never letting time find me doing nothing.* To hoard days as a miser hoards dollars. To make every hour bring me dividends, increased knowledge, or healthful recreation.

To keep my future unmortgaged by debts. To save as well as earn. To cut out expensive amusements until I can afford them. To steer clear of dissipation, and guard my health of body and peace of mind as a precious stock in trade.

Finally, to take a good grip on the joys of life. To play the game like a man. To fight against nothing so hard as my own weakness, and endeavor to grow in strength, a gentleman, a Christian.

## *The* **PACE STUDENT**

January, 1919

So I may be courteous to men, faithful to friends, true to God, a fragrance in the path I tread.—*The Dynamo*.

**WALTER V. SULLIVAN** is another Pace & Pace Student who is doing junior accountant work, having accepted a position with the Certified Audit Company, 200 Fifth Avenue.

**MISS BERNETTA LACY**, who has recently enrolled at Pace Institute, is employed at the present time in the accounting department of the American Exporter, 17 Battery Place.

**MISS R. H. TIETZ**, who has been assistant manager in the retail office of Best & Company, has accepted a position as bookkeeper with the United States Food Administration, 42 Broadway.

**J. S. M. GOODLOE, C.P.A. (N.Y.)**, has completed his services with the Government and announces the resumption of the practice of Accountancy. Mr. Goodloe's offices are located at 141 Broadway, New York, N. Y.

**FRANK J. C. HAERLE**, who attends Pace Institute, has resigned his position with the Post-office Department in the Hudson Terminal Building, and accepted another as bookkeeper with Arnold Martell, 149 Broadway.

**EDWARD F. HOLSTEN**, who has been with the Aetna Refining Company, in Louisville, Kentucky, has returned to New York and accepted a position as junior accountant with Mitchell & Ferris, public accountants, at 30 Broad Street.

**EDWARD B. RUFFING**, a Pace Student, has located as junior accountant with Fergus Lamb & Company, accountants, at 80 Wall Street. Mr. Ruffing was connected with the United States Government, Washington, D. C., until recently.

**PAUL STERNBERG**, of Pace Institute, has resigned his position with the Toxaway Tanning Company, and entered the accounting department of the Safety Car Heating and Lighting Company, whose New York offices are located at 2 Rector Street.

**A** SAD death, due to the recent epidemic of influenza, was that of Henry W. Eitzen, formerly a student in public speaking at Pace Institute.

Mr. Eitzen was born on February 2, 1888, at Hoboken, N. J., and died on November 8, 1918, at his home in Maplewood, N. J. Mr. Eitzen's childhood days were spent in Hoboken where he attended Hoboken Academy and secured an academic education. Then he began his business career by becoming associated with his father in the conduct of a hotel. Later he joined the executive staff of a hotel in New York, and by reason of hard work and developing ability, he soon was appointed to the managership of the enterprise.

On account of war conditions, Mr. Eitzen was confronted with the problem of becoming connected with an essential industry, and he therefore severed his association with the hotel business and joined the staff of the August Mietz Corporation, during December, 1917, in the capacity of timekeeper and assistant paymaster.

Mr. Eitzen was a man of winning presence and engaging personality. He made and kept friends easily, for he possessed a sympathetic heart, and he would go out of his way to do any one of his fellows a good turn.

He is survived by a widow and an infant son, by his father, and by four brothers, to all of whom The Pace Student extends its heartfelt sympathy in their bereavement.

**LESTER NEWHOFF** is among the latest Pace Students to have formed Accountancy connections, having joined the staff of Arthur Young & Company. Mr. Newhoff was formerly doing cost work with the I. R. T. Company, 621 Broadway.

**N. C. DITTMAN**, who was doing statistical work with the Barclay Corset Company, of Newark, New Jersey, has located with the American Red Cross, at 44 East 23rd Street. Mr. Dittman has completed two semesters of the course at Pace & Pace.

**CHARLES T. BRYAN**, Manager of the Public Accounting Department of Pace & Pace, was recently awarded the degree of C.P.A. by the New York State Board of C.P.A. Examiners. Mr. Bryan received his technical preparation at Pace Institute, New York.



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